



201 Tower Avenue | Groton, Connecticut 06340 | 860.446.8621 *office* | 860.446.8689 *fax*  
www.lanmaraviation.com

Dear Finance Revenue and Bonding Committee Members:

My name is James Edwards, Director of Services for Lanmar Aviation, a Fixed Base Operator located at Groton-New London Airport. Our operation, for those of you who are unfamiliar, is located on a state owned airfield and offers fuel, maintenance, avionics, and management services to Connecticut based and transient aircraft. Other services include support of all Government operations on the field, primarily to the National Guard's 1109th Aviation Classification Repair Activity Depot or (AVCRAD), the fourth largest employer in the Groton-New London area. We currently base approximately forty five aircraft within our facility walls which range in size from small privately owned aircraft to large corporate jets. Our transient base includes customers making use of our services from all over the country; however the majority of our maintenance and avionics customers fly only a short distance from the neighboring states of Rhode Island, Massachusetts and New York.

As you're aware, currently all aircraft repair labor performed in the state of Connecticut is exempt from the 6% state sales tax. This exemption has been critical for small to medium sized repair stations such as ours to compete with those in neighboring states. House Bill 1007 proposes removing this exemption for labor performed on aircraft weighing less than 6,000 pounds. Not only is a large percentage of the maintenance we perform on out of state aircraft, more than half of those aircraft happen to weigh less than 6,000 pounds.

Further, House Bill 6387 proposes a personal property tax on all aircraft based in Connecticut. Currently aircraft based in Connecticut are only required to pay an annual registration fee. The proposed tax rate would be on 70% of the valuation at 20 mils



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annually. For example, an aircraft valued at \$500,000 would be taxed \$7,000 per year in property tax. This is a considerable increase from the existing state registration fees.

House Bill 6387 will not only affect our customer base but all of the aircraft currently located at Groton-New London Airport.

Our facility is based approximately ten miles from the Rhode Island state line. The nearest Rhode Island airfield is only a twenty minute drive by car, and an even shorter flight. Not only will these proposed bills dissuade out of state aircraft from using our facility, but it will initiate a mass exodus of our based population. Jet aircraft can be repositioned in less than half an hour across state lines, and jobs will be taken with them. Connecticut will not only lose registration fees, but also rental revenue and the flowage fees collected on the millions of gallons of fuel sold annually. Business aircraft owners will move or terminate employees when the aircraft are relocated. Massachusetts, New York and Rhode Island all which have aircraft beneficial tax structures will be waiting with open arms to bring significant revenue into their states.

When considering these bills please keep in mind that the mobility of our industry is unlike any other. The current contributions made to the state of Connecticut are substantial, and that the effects of the bills will be devastating.

Sincerely,

James C. Edwards  
Director of FBO Services  
Lanmar Aviation